

VETO OF H.R. 2787

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS VETO OF H.R. 2787, A BILL TO EXTEND THROUGH FISCAL YEAR 1988 SBA PILOT PROGRAMS UNDER SECTION 8 OF THE SMALL BUSINESS ACT



OCTOBER 7, 1986.—Message and accompanying bill referred to the Committee on Small Business and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

To the House of Representatives:

I am returning herewith without my approval H.R. 2787. Title I of this bill would reauthorize and extend through September 30, 1988, two Small Business Administration (SBA) pilot programs, and Title II would authorize the appropriation of \$10 million for the establishment of a new Technology Transfer Institute in Bridgeport, Connecticut.

The appropriation authorization of \$10 million for a new Federally assisted project is inappropriate and unwarranted at a time when there is a critical need to operate within severe budgetary constraints and to fund adequately higher priority programs. Although the stated purpose of the proposed Institute would be to "revitalize the competitiveness of small business industry in America, particularly in the international marketplace, and to serve as a regional demonstration center transferring emerging technology . . .," it is not clear that the Institute would provide the best means to accomplish this goal.

Additionally, in light of current budgetary constraints, it is particularly unfortunate that the bill accords special treatment to a specific institution and does not require selection on a competitive basis. Selecting recipients competitively helps to ensure that the taxpayers' money is spent on projects that address an acknowledged need and demonstrate the greatest promise of success. Legislative provisions that accord special treatment to certain applicants or, as here, identify the sole recipient of assistance are particularly objectionable. I am concerned also that the Institute, proposed as a "regional demonstration center," would set an undesirable precedent for the noncompetitive establishment of additional regional centers, without a demonstrated need for a Federal role in this area.

Finally, I note that Title I of the bill would unnecessarily extend two SBA pilot programs. The goal of the pilot procurement program can be accomplished under existing authorities. The extension of the surety bond waiver program provided in Title I has proved unnecessary, as no waivers have been requested since the program was first authorized in 1978.

RONALD REAGAN.

THE WHITE HOUSE, *October 7, 1986.*